



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Gregory Coker
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

August 15, 2005

PARTIES OF RECORD

Re: Case No. 2005-00267
East Kentucky Power Cooperative, Inc.

Attached is a copy of the memorandum which is being filed in the record of the above referenced case. If you would like to make comments regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Richard Raff at 502/564-3940, Extension 260.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

RGR:v

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2005-00267

FROM: Richard G. Raff *RGR*

DATE: August 10, 2005

SUBJECT: East Kentucky Power Cooperative, Inc.

Pursuant to the Commission Staff e-mail of August 9, 2005, a copy of which is attached hereto, an informal conference was held telephonically on August 10, 2005. The participants on behalf of East Kentucky Power included Charles Lile, David Eames, and Frank Oliva; and those on behalf of Commission Staff included Richard Raff, Isaac Scott, and Andrea Edwards.

The purpose of the conference was to discuss measures necessary to ensure that funds drawn down by East Kentucky Power under its proposed unsecured line of credit are not used to fund any construction project that needs, but does not yet have, a Certificate of Public Convenience and Necessity. East Kentucky Power indicated that it intended to draw down funds under its proposed unsecured line of credit to pay off approximately \$100 million borrowed under two existing short-term lines of credit which bear higher interest rates, an additional \$20 million for general corporate purposes, and the remainder to fund the construction of generating and transmission projects for which certificate applications are now pending at the Commission. East Kentucky Power stated that dividing the proposed unsecured credit facility into multiple, smaller credit facilities which are tied to individual projects would result in higher financing costs. As an alternative, East Kentucky Power agreed to amend its application to specifically include a commitment that no funds would be drawn down under the proposed credit facility for use on any project that needs, but has not yet received, Commission approval.

Commission Staff noted that the 60-day statutory review period for the pending financing application expires on August 29, 2005, although that time period can be extended for good cause shown. East Kentucky Power indicated that, since it would like to close on the unsecured line of credit as soon as it receives Commission approval, the amended application will be filed with the Commission as soon as possible.

Attachment

Raff, Richard G (PSC)

From: Raff, Richard G (PSC)
Sent: Tuesday, August 09, 2005 3:55 PM
To: Charles Lile
Subject: case no. 2005-267

Charlie, can we set up a brief telephone conference tomorrow or Thursday to discuss this case? We need to know if the credit facility can be divided into segments to correspond to the different construction projects. Please let me know when you are available. Richard.

Raff, Richard G (PSC)

From: Charles Lile [charles.lile@ekpc.coop]
Sent: Wednesday, August 10, 2005 10:02 AM
To: Raff, Richard G (PSC)
Cc: David Eames; Frank Oliva
Subject: RE: PSC Case No. 2005-00267

Richard,

1:30 should be fine. Call in for Dave Eames at Ext. 345.

Charles Lile
EKPC Legal
859 745-9380

Please note that my e-mail address has changed to:
charles.lile@ekpc.coop

-----Original Message-----

From: Raff, Richard G (PSC) [mailto:rgraff@ky.gov]
Sent: Wednesday, August 10, 2005 9:59 AM
To: Charles Lile
Subject: RE: PSC Case No. 2005-00267

Charlie, 1:30 works best for staff. I have ekpc's 800 number, so we can call you. Let me know which extension to ask for. Richard.

-----Original Message-----

From: Charles Lile [mailto:charles.lile@ekpc.coop]
Sent: Wednesday, August 10, 2005 8:25 AM
To: Richard Raff (E-mail)
Cc: David Eames; Frank Oliva
Subject: PSC Case No. 2005-00267

Richard,

We would be available for a conference call today at 10:00 or at 1:30, whichever better suits your schedule. Please let me know which time you prefer.

Charles Lile
EKPC Legal
859 745-9380

Please note that my e-mail address has changed to:
charles.lile@ekpc.coop